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IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

BREWSTER KAHLE, INTERNET ARCHIVE, RICHARD PRELINGER, and PRELINGER ASSOCIATES, INC., Plaintiffs, v. JOHN ASHCROFT, in his official capacity as Attorney General of the United States, Defendant.	Civil Case No. 04-CV-1127 MMC **PLAINTIFFS' OPPOSITION TO GOVERNMENT'S MOTION TO DISMISS** Date: October 29, 2004 Time: 9:00 a.m. Courtroom: 7, 19th Floor Judge: Hon. Maxine M. Chesney

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INTRODUCTION

This case is about the speech-related harms caused when Congress radically changed the nature of American copyright law. For the first 186 years of our Republic, copyright laws established an **"**opt-in**"** system, one in which copyrights were secured only to those who took steps to claim them. In 1976 and 1989, Congress inverted this regime, transforming copyright law into an **"**opt-out**"** system, one in which rights are granted automatically and indiscriminately unless disclaimed.[1]

Under the principle articulated in *Eldred v. Ashcroft*, 537 U.S. 186, 221, 123 S. Ct. 769, 790 (2003), this radical change in a "traditional contour of copyright" requires First Amendment scrutiny. Plaintiffs in *Eldred* had asked the Court to apply ordinary First Amendment review to every change in copyright law. The Court refused that request. The government in *Eldred* had asked the Court to affirm the judgment of the Court of Appeals below, finding copyright "categorically immune from challenges under the First Amendment." *Eldred v. Reno*, 239 F.3d 372, 375 (D.C. Cir. 2001). The Court refused that request as well. Instead, the Court anchored First Amendment review to the "traditional contours" of copyright protection. Laws that respected those "traditional contours," the Court held, would suffer "no further First Amendment scrutiny." But by implication, and as the government concedes, changes to those "traditional contours" would require "further First Amendment scrutiny."

The changes to the U.S. copyright system at issue in this case profoundly affect copyright's "traditional contours." Indeed, as plaintiffs would show at trial, very few changes in the contours of copyright law could have as significant an effect on First Amendment values. If any alternation to copyright laws can be characterized as a shift in the "traditional contours of copyright," these can.

[1] It is in fact not even certain that rights can be disclaimed. *See* Diane Leenheer Zimmerman, *Authorship Without Ownership: Reconsidering Incentives in a Digital Age*, 52 DePaul L. Rev. 1121, 1149 (2003).

In a series of statutes over a relatively short period of time, Congress shifted copyright from an opt-in to an opt-out regime, by removing from our law a core set of copyright formalities. These formalities, including (1) registration, (2) notice, and (3) renewal (hereafter, "opt-in formalities"), were required of copyright owners for them to secure initial, and continued, copyright protection. The removal of formalities utterly changed the nature and reach of American copyright law. For 186 years of the American Republic, the purpose and effect of these opt-in formalities was to narrow the reach of copyright law to those works that had a continuing copyright-related interest. Given the limits that these opt-in formalities placed on the reach of the law, copyright burdened relatively few creative works, and hence burdened very few beyond commercial creators. The law thus left essentially unburdened archivists, preservationists, libraries, and non-commercial creators.

But by stripping out copyright's opt-in formalities, Congress has reversed this traditional pattern. Whereas copyright regulation before was the exception, now it is the rule. Whereas the burden of copyright before was effectively limited to works that had some continuing commercial viability, the burden of copyright now is spread broadly and indiscriminately to all creative works regardless of any continued commercial interest in the copyright. Whereas traditionally, the contours of American copyright law guaranteed that this regulation of speech was reasonably and effectively tailored to a viable commercial interest, today this regulation of speech burdens effectively all creative work, regardless of any continuing commercial interest in "Authors" to control its dissemination or use. Works today that have no continuing commercial use, but continue under the regulations of copyright, are effectively *orphaned* by the current regime.

These changes would have been significant at any time in our history. But they are especially burdensome now. Just at the time that digital technologies could enable an explosion in creative reuse of our culture, the burdens of an opt-out system of copyright make most reuse of orphaned work essentially impossible. Libraries and archives could use these digital technologies to make available an extraordinary range of our creative past. Yet the law now imposes burdens that make this reuse essentially impossible.

At trial, plaintiffs will introduce historical data showing the real-world effect of these changes in legal doctrine. Plaintiffs will show that under the traditional opt-in copyright system, a large share of published materials—perhaps as much as half—was never subject to copyright because rights-holders chose not to claim copyright.[2] And even for those works that were copyrighted, more than 85% fell out of copyright after their initial term. These data will thus demonstrate that *the most significant determinant of copyright's reach, and hence, the most significant determinant of Free Speech values, were these opt-in formalities. There is therefore likely no other change in copyright law that would have as dramatic an effect on free speech interests.*

ARGUMENT

The government has asked this Court to dismiss plaintiffs' case in its entirety. In its view, the changes that plaintiffs attack are beyond judicial review. That argument is wrong for at least three reasons.

First, as the Supreme Court has held, and as the government concedes, if Congress "alter[s] the traditional contours of copyright protection," those changes must be subject to First Amendment review. *Eldred*, 537 U.S. at 221, 123 S. Ct. at 790. However that First Amendment test is articulated, Congress's removal of opt-in formalities would fail it, for these changes impose significant burdens on speech unredeemed by any compelling countervailing benefit to the public or to copyright owners.

[2] For example, sampling the Hoover Institution's political poster collection, which includes over 5,000 copyrightable works published in the United States between 1900 and 1977, fewer then 30% of the posters bear valid copyright notice. Over 70% of the posters, therefore, were never subject to copyright.

Second, in the process of removing copyright formalities, Congress created a copyright term that is so long as to be effectively perpetual. In doing so, Congress violated the Progress Clause's "limited times" prescription.

Third, the removal of formalities, while creating substantial harms both to speech and to the efficient functioning of the copyright system, has failed to advance authors' interests or the public interest to an extent even remotely commensurate with the harms done. As a consequence, in changing the copyright laws to remove copyright formalities, Congress has failed to adhere to the command of the Progress Clause that its copyright lawmaking must "promote . . . progress."

For these reasons, and for the reasons stated below, plaintiffs ask that this Court deny the government's motion to dismiss.

I. THE REMOVAL OF OPT-IN FORMALITIES CHANGES A "TRADITIONAL CONTOUR OF COPYRIGHT" AND IS SUBJECT TO, AND WOULD FAIL, FIRST AMENDMENT REVIEW

At the heart of plaintiffs' Amended Complaint is their claim that Congress's shift from opt-in to opt-out copyright imposes significant burdens on speech and must be subject to First Amendment scrutiny. This claim is simply stated:

(1) In *Eldred v. Ashcroft*, 537 U.S. at 221, 123 S. Ct. at 790, the Supreme Court held that "when … Congress has not altered the traditional contours of copyright protection, further First Amendment scrutiny is unnecessary." By implication, and as the government effectively concedes, *see* Gv's Mot. at 21, when Congress does alter "the traditional contours of copyright protection, further First Amendment scrutiny" *is* necessary.

(2) In America, the features of copyright that made it an "opt-in" system were part of the "traditional contours of copyright protection."

(3) The changes that Congress has made to the copyright laws since 1976 have "altered" these traditional contours.

(4) These changes must therefore be subject to First Amendment review.

The government argues that these changes do not merit "further First Amendment review," because by the term "traditional contours of copyright protection," the Court in *Eldred* was describing just two facets of copyright protection — "fair use" and the "idea/expression" distinction. No other aspect of copyright law, the government maintains, is among the "traditional contours of copyright". No other change in copyright law would, therefore, be subject to First Amendment review. And thus, because the removal of opt-in formalities implicates neither "fair use" nor the "idea/expression" distinction, on the government's view, no First Amendment review is merited. Gv's Mot. at 21-24.

But this argument is belied by the government's own brief, which offers a third "traditional contour of copyright protection"—originality—thereby showing, as plaintiffs argue, that fair use and the idea/expression distinction are just instances of a more general class. More importantly, nothing in the rationale of *Eldred,* or in the authority that it relies upon, suggests that its traditionalism focused exclusively upon these two facets of copyright law alone. Instead, as plaintiffs will argue below, and would demonstrate at trial, if any facet of copyright law constitutes a "traditional contour," opt-in formalities do.

A. *Eldred* Did Not Restrict The Scope Of "Traditional Contours" To Fair Use and the Idea/Expression Distinction.

There is no dispute that the opt-in formalities that characterized American copyright law are as old as any.[3] They are therefore plainly "traditional." The only open questions are (1)

[3] The Copyright Act of 1790, 1 Stat. 124 (1790) (the "1790 Act"), the first statute enacted under the authority established in the Constitution's Progress Clause, U.S. Const. art. I, § 8, cl. 8, required compliance with a series of formalities, both as a condition precedent to receiving copyright protection, and then as a pre-requisite to maintaining protection past an initial term. First, the 1790 Act conditioned protection on the author's registration of his work with the clerk's office of the district court where the author resided. Id. at § 3. The registration condition applied to all works—even those previously copyrighted under pre-1790 state copyright law. These works were required to be re-registered in order to gain federal protection.

Second, within two months thereafter, the author was required to give notice of his copyright by publishing proof of registration in a newspaper for at least four weeks. Id. In 1802, in an enactment described as "supplementary" to the 1790 Act, Congress required, in addition to whether *Eldred* admits of “traditional contours” beyond the two the government identifies, and (2) whether opt-in formalities are a feature of copyright significant enough to be included within that category. The first question should be resolved affirmatively as a matter of law; the second

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newspaper notice, that any author seeking to obtain copyright “give information” by marking each copy of his work with a prescribed copyright notice. 2 Stat. 171 (1802). The statute required the same proof of registration published in the newspaper notice to be inserted in all published copies of books “at full length in the title-page or in the page immediately following the title.” Id. at § 1. Marking according to the prescribed form was also required on all charts and maps. Id. In all cases, the information required included the identity and location of the author, and the date of copyright. Id.; *see also* 1790 Act at §§ 3, 4.

Third, the author was required to deposit a copy of the work, within six months of publication, with the Secretary of State. 1790 Act § 4.

Fourth, a surviving author was permitted to renew the copyright for an additional 14 years. Renewal required the author to re-register the copyright, and to publish proof of re-registration in a newspaper. Both actions were required to be taken within the final six months of the first term. 1790 Act § 1.

This emphasis on formalities established in the Founders’ copyright statutes stayed almost entirely intact through the revisions of the copyright law enacted in 1831 and 1909. See 4 Stat. 436 (1831) (the “1831 Act”); 35 Stat. 1075 (1909), codified as 17 U.S.C. 1 et seq. (repealed 1976) (the “1909 Act”). The 1831 Act extended the initial term of copyright to 28 years, 1831 Act § 1, but kept the registration, deposit, and notice requirements of the 1790 Act, Id. at §§ 3-5, as well as the requirement that copyright owners renew their copyright to secure the benefits of a second term. Id. at § 2. And in a supplemental enactment in 1834, Congress strengthened the registration requirement by requiring, for the purpose of maintaining an accurate record of copyright ownership, the recordation of “all deeds or instruments in writing for the transfer or assignment of copyrights.” An Act providing for the recordation of assignments of copyrights, 4 Stat. 728 (1834). Failure to record a transfer within 60 days meant that the transfer would be judged “fraudulent and void against any subsequent purchaser or mortgagee for valuable consideration without notice.” Id.

Like the 1831 Act, the 1909 Act retained the registration, notice and renewal requirements—though it lengthened the renewal term from 14 to 28 years and softened the registration requirement. See 1909 Act §§ 1, 11 (registration), 10 (notice), 19-21 (notice), 24 (renewal). And there copyright came to rest, until its major revision in 1976. Copyright Act of 1976, 17 USC § 301 *et seq.*

will require additional evidence to make salient the significance of opt-in formalities.[4] Either way, the government's motion must fail.

The government argues that the *Eldred* Court meant to restrict the scope of its term, "the traditional contours of copyright protection," to include just the two copyright doctrines mentioned explicitly in that case, viz., (1) "fair use" and (2) the "idea/expression" distinction. Gv's Mot. at 22. Nothing in the language or logic of *Eldred* supports such a restrictive interpretation, and no court would ever so restrict First Amendment review.

1. Nothing in the text of *Eldred* indicates that the "traditional contours of copyright protection" were limited to "fair use" and the "idea/expression" distinction. The examples were not exclusive, but illustrative — as the government's own brief demonstrates by identifying a third "traditional contour." As it argues, "*Eldred* concluded that the CTEA does not alter the 'traditional contours of copyright protection' because 'it protects authors' original expression from unrestricted exploitation.'" Gv's Mot. at 23 (citations omitted). Plaintiffs agree that

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[4] At trial, plaintiffs will show that formalities had a real and substantial effect on the amount of creative expression available in the public domain for use by others. Plaintiffs will introduce historical data showing that a large share of published materials—perhaps as much as half—were never subject to copyright because rightsholders chose voluntarily not to comply with registration and notice formalities. Moreover, plaintiffs will show that for a large span of our country's history, whole classes of works were very rarely copyrighted. For example, sampling the Hoover Institution's political poster collection, which includes over 5,000 copyrightable works published in the United States between 1900 and 1977, fewer then 30% of the posters bear valid copyright notice. Over 70% of the posters, therefore, were never subject to copyright.

In addition, plaintiffs will show that the renewal formality played perhaps an even greater role in encouraging public access to copyrighted works. By requiring copyright owners to signal a desire to continue the protection of copyright, the traditional requirement of renewal limited the restrictions of copyright to just those works whose owners had a continuing interest in maintaining exclusive control over use of the work. Ample historical data show that, on average, more than 85% of works that enter the copyright system are not renewed. *See* Barbara Ringer, *Study No. 31: Renewal of Copyright*, *in* Copyright Law Revision Studies 221 (Cmte. Print 1960). The renewal requirement thus lifted copyright's burdens from the large majority of works for which no copyright interest remained, and focused the system on the remaining 15% of works that had enduring copyright value.

"protecting authors' original expression" is among the "traditional contours of copyright protection" – from its inception to the present, our copyright laws have protected only *original* expression, and not, for example, mere collections of facts. A copyright system that extended protection to mere facts, or to other unoriginal expression, would be a fundamentally different system from the one we have. But plainly, this "traditional contour," as the government describes it, implicates neither "fair use" nor the "idea/expression" distinction. Thus, if the government is correct that originality is a "traditional contour," then plaintiffs are correct that the term "traditional contour" was not meant to be restricted to the two facets of copyright that the Court described.

2. Nor does the logic of *Eldred* suggest that the set of "traditional contours" was meant to be limited to the two facets of copyright protection mentioned in the opinion. By rejecting both the plaintiffs' argument in *Eldred* (that every Copyright Act must be subject to ordinary First Amendment review), and the government's argument (that no Copyright Act needs to be subject to First Amendment review), the Court plainly intended that traditional practice would set the baseline for First Amendment review, and that only significant deviations from that traditional practice would raise a First Amendment question.

Plaintiffs concede that the Supreme Court has not fully defined the "traditional contours of copyright protection." But obviously, it would have been imprudent at best for the Court to attempt a catalog of copyright's "traditional contours" in *Eldred* itself, thereby determining all future cases. *Eldred* was the first case in the Court's history to raise a First Amendment challenge to a copyright act. The Court did not have the guidance in *Eldred* that would have been necessary to explicate the full reach of any "traditional contours" baseline. Plaintiffs in *Eldred* certainly did not frame their claim in terms of any "traditional contour" of copyright. Nor did they provide the Court with a comprehensive outline of copyright's contours.

Instead, by setting a baseline tied to tradition, the Court reasonably invites further litigation to determine the scope of copyright's "traditional contours." Plaintiffs must therefore have the opportunity to demonstrate why opt-in formalities have a free speech effect significant enough to place them alongside fair use and the idea/expression distinction in the category of "traditional contours." Indeed, as plaintiffs would prove at trial, opt-in formalities are among *the most significant* "traditional contours of copyright protection" promoting First Amendment values.

3. Finally, and most fundamentally, it is absolutely clear that fair use and idea/expression could not be the only two facets of copyright protecting First Amendment interests that the Court would police.[5] Consider, for example, that copyright has traditionally been viewpoint neutral. That feature of copyright law would, on plaintiffs' view, constitute a "traditional contour of copyright protection," requiring ordinary First Amendment review if changed. For example, if Congress were to deny copyright protection to hate speech, or to speech that "tended to weaken morality," then "further First Amendment scrutiny" would plainly be required. *See R.A.V. v. St. Paul*, 505 U.S. 377, 382-383, 112 S. Ct. 2538, 2542-2543 (1992) (content-based regulations presumptively invalid under First Amendment); *Simon & Schuster v. Crime Victims Bd.*, 502 U.S. 105, 115-116, 112 S. Ct. 501, 508 (1991) (same).

Yet on the government's theory of *Eldred*, such a change would not be subject to "further First Amendment scrutiny": changing viewpoint neutrality would not alter "fair use" or the "idea/expression" distinction. If those are, as the government argues, the only two facets of copyright protection whose change merits "further First Amendment scrutiny," then a copyright law that was viewpoint based would be constitutional.

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[5] That there are other aspects of copyright law that advance First Amendment interest cannot be denied. *Eldred* itself pointed to aspects of CTEA that it believed expanded First Amendment interests embodied within the Copyright Act, including a provision of the statute (17 U.S.C. § 108(h)) allowing libraries and archives to reproduce and distribute copies of certain works in the final 20 years of their term of copyright. 537 U.S. at 220, 123 S. Ct. at 789. And likewise *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 105 S. Ct. 2218 (1985), relied upon in *Eldred*, drew its analysis directly from the work of Professor Melville Nimmer, who has characterized limited terms as one of the features of the Copyright Act that assists in copyright's co-habitation with the First Amendment. *See* Melville B. Nimmer & David Nimmer, 1 NIMMER ON COPYRIGHT § 1.10[c][1].

Obviously, that view must be wrong. No court would interpret the First Amendment to permit copyright law to favor one political viewpoint over another. And thus, the government's reading of *Eldred* must be wrong. "Traditional contours" must mean more than fair use or the idea/expression distinction.

B. If "Traditional Contours" Includes More Than Fair Use and the Idea/Expression Distinction, Then The Government's Motion Must Fail.

If this Court concludes that the "traditional contours of copyright protection" can include more than the two facets identified by the government, then the government's motion must fail. As this Court recognizes, on a motion to dismiss, all facts must be assumed in plaintiffs' favor. Plaintiffs allege that formalities have a profound effect on free speech interests, and those allegations, if true, would indicate that the system of formalities was a "traditional contour of copyright protection." As the government concedes, see Gv's Mot. at 21, if Congress changes a "traditional contour of copyright protection," then "further First Amendment scrutiny" is required. That scrutiny cannot be undertaken in the context of a motion to dismiss.[6]

Obviously, to subject Congress's "alter[ation]" of opt-in formalities to ordinary First Amendment review does not mean that Congress would not have the power to change copyright formalities. The government could well meet its burden under the First Amendment. And even if

[6] The government argues that plaintiffs have failed to allege that they have any interest in works affected by the 1976 Act, and therefore have no standing to challenge that Act, or the Berne Convention Implementation Act ("BCIA"), Pub. L. No. 100-568, 102 Stat. 2853 (1988) ("BCIA"). Gv's Mot. at 18 n.12. That contention is plainly wrong: plaintiffs state clearly that they are seeking access to a variety of commercially unavailable works, including "orphan" works: "Plaintiffs' desire is to give access to cultural and scientific work no longer commercially available." Am. Compl. ¶ 80. See also Am. Compl. ¶¶ 3-4. Plaintiffs allege that works affected by the 1992 Act are "among" the works that they are seeking access to, but not that they are the only such works. See Am. Compl., ¶ 8. Plaintiffs are also seeking access to works affected by the 1976 Act and BCIA. See Am. Compl. ¶¶ 77-79. Indeed, absent the removal of the mandatory registration, notice, and renewal formalities accomplished in those acts, many of the "orphan works" plaintiffs wish to digitize and offer on-line would never be (or would no longer be) subject to copyright. Accordingly, it is plain that plaintiffs are "affected" by the 1976 Act and the BCIA.

these particular changes could not, there are many ways in which the government could have achieved the objectives it describes without creating the burden on orphaned works that these changes produce. A statute requiring nominal registration after fifty years, for example, may satisfy First Amendment interests. Or alternatively, a statute that imposed a compulsory license on unregistered work may be sufficient.

In any case, the whole purpose of First Amendment review is simply to assure that the government's regulation does not burden speech unnecessarily. The essence of plaintiffs' claim is that the government failed to make that balance: that it has pursued one objective — reducing the administrative burden on the minority of copyright holders who would want continued copyright protection — without properly reckoning the free speech costs such a change imposes. Unless this Court finds that opt-in formalities cannot be classed among the "traditional contours of copyright protection," plaintiffs are must be given the opportunity to make this showing. The government's motion must therefore fail.

II. BECAUSE OPT-IN FORMALITIES ARE A "TRADITIONAL CONTOUR" OF AMERICAN COPYRIGHT LAW, PLAINTIFFS' FIRST AMENDMENT CHALLENGE TO THE COPYRIGHT RENEWAL ACT OF 1992 MUST SURVIVE THE GOVERNMENT'S MOTION TO DISMISS

Plaintiffs allege that the historical requirement of renewal, which was a part of American copyright law from 1790 until 1978, is, along with other the other opt-in formalities of registration and notice, a "traditional contour of copyright protection." Plaintiffs and the government agree that "alter[ation]" of a "traditional contour" requires ordinary First Amendment scrutiny. Gv's Mot. at 21. Therefore, if this Court concludes that the "traditional contours of copyright protection" can include more than the two instances identified by the government, then the government's motion to dismiss plaintiffs' challenge to the Copyright Renewal Act of 1992 , Pub. L. No. 102-307, 106 Stat. 266 (1992), must fail.

As the government describes, the Copyright Act of 1976 abolished the renewal requirement for all works fixed on or after January 1, 1978. Gv's Mot. at 10. It did not, however, alter the renewal requirement for works fixed before that date. Congress abolished that renewal requirement in the Copyright Renewal Act of 1992, which automatically renewed all works that had not yet entered their renewal term under the traditional rule requiring renewal. Thus, all works fixed between January 1, 1964, and December 31, 1977, had their term renewed automatically. This was the first time Congress enacted an automatic renewal of a copyright term in American history.

If the Court has concluded that there are "traditional contours" beyond the two identified by the government, then this change in a traditional contour of copyright protection also must be subject to ordinary First Amendment review. That review cannot be determined in a motion to dismiss. The government's motion to dismiss must therefore fail.

III. BECAUSE OPT-IN FORMALITIES ARE A "TRADITIONAL CONTOUR" OF AMERICAN COPYRIGHT, PLAINTIFFS' AS-APPLIED FIRST AMENDMENT CHALLENGE TO THE SONNY BONO COPYRIGHT TERM EXTENSION ACT OF 1998 MUST SURVIVE THE GOVERNMENT'S MOTION TO DISMISS

In the alternative, if this Court concludes after further proceedings that (1) opt-in formalities are a "traditional contour of copyright," but that (2) the 1992 Act survives ordinary First Amendment review, the government's motion to dismiss plaintiffs' as-applied challenge to the Sonny Bono Copyright Term Extension Act ("CTEA"), Pub. L. No. 105-298, 112 Stat. 2827 (1998), still must fail.

CTEA extended copyright terms generally by 20 years, both for subsisting copyrights and future copyrights. *See* 17 U.S.C. §§ 302(a), 303(a). In *Eldred*, plaintiffs challenged the extension of subsisting copyrights, arguing that any extension of an existing copyright term violated the "limited times" requirement of the Progress Clause. The Court rejected that argument, finding that the historical precedent of extending existing terms sufficed to authorize Congress's practice. 537 U.S. at 204, 123 S. Ct. at 780-781.

This case is fundamentally different. Unlike in *Eldred*, in this case, plaintiffs challenge an extension that has no historical precedent at all. By extending subsisting terms for works that were automatically renewed by virtue of the 1992 Act, CTEA is the *first statute in the history of the Republic* to extend the terms for works that have not, and will not, pass through the filter of renewal. There is thus no tradition supporting CTEA with respect to these works.[7]

If this Court concludes that renewal (as part of the system of opt-in formalities) could, depending upon the showing made at trial, be considered a "traditional contour of copyright protection," then CTEA's extension, as applied to works automatically renewed under the 1992 Act, would be subject to ordinary First Amendment review. Here again, the Court would be required to balance the alternatives that Congress had in achieving its objective. The need for balancing defeats the government's motion to dismiss plaintiffs' claim.

With both the 1992 and 1998 statutes, therefore, the only question this Court must resolve in this motion is whether the Supreme Court in *Eldred* intended, in defining the "traditional contours of copyright protection", to exclude all facets of our copyright system, no matter how foundational, beyond fair use and the idea/expression distinction. If this Court finds, as plaintiffs contend, that *Eldred* did not purport, either explicitly or implicitly, to limit "traditional contours" in the way the government contends, then plaintiffs' First Amendment challenge to the 1992 Act, and its as-applied challenge to CTEA, must survive the government's motion to dismiss.

IV. PLAINTIFFS' "LIMITED TIMES" ARGUMENT HAS NOT BEEN FORECLOSED BY ELDRED

The government also asks this Court to dismiss plaintiffs' argument that a term of "life plus 70" or 95 years for corporate works is "so long as to be effectively perpetual." Gv's Mot. at 19-21. The government's motion in this regard borders upon an abuse of the motion to dismiss.

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[7] The government suggests (see Gv's Mot. at 23-24 n.15) that the 1831 Act, which extended the initial term of copyright from 14 to 28 years, is a precedent for the 1992 Act's automatic renewal of copyright. The 1831 Act is obviously not a precedent, for it extended only the initial term and retained the requirement that works be renewed to enjoy the full term of copyright. Act of Feb. 3, 1831, Ch. 16, §§ 1, 16, 4 Stat. 436, 439.

In *Eldred v. Ashcroft*, the government conceded that a "limited term" could be so long as to be effectively perpetual. *See* Eldred Resp. Br. at 27 (available at http://eldred.cc/legal/01-618.Eldred3.mer.pdf). As it argued, "[s]omething that was the functional equivalent of an unlimited time would violate the Copyright Clause." *See* Eldred Oral Arg. Tr. at 34 (available at http://www.supremecourtus.gov/oral_arguments/argument_transcripts/01-618.pdf).

The government was obviously correct in *Eldred*. A term of 500 years might technically be a "limited term," but it would not be a "limited term" in the sense meant by the Constitution.

But as the government also argued repeatedly in *Eldred*, plaintiffs in that case had not argued that copyrights had become so long as to be effectively perpetual. *See, e.g.,* Eldred Resp. Br. at 26 n. 17. Plaintiffs in *Eldred* reserved that claim, as the Supreme Court expressly noted. 537 U.S. at 193, 123 S. Ct. at 775.

Plaintiffs in this case press the argument that the *Eldred* plaintiffs did not: that the term of copyright has become so long as to become effectively perpetual. If a 500-year term is not, from the perspective of the Framers, a *limited* term, what is the difference, from the perspective of the Framers, between a 500-year term and a 95-year term? As we will establish at trial, none. From the perspective of the framers, both terms are so long as to be effectively perpetual.

As the government has already conceded that a term could be so long as to be effectively perpetual, the only question here is therefore a factual one — whether this term is that long. Obviously, a motion to dismiss is not the means by which factual disputes are resolved.

Plaintiffs acknowledge that the Supreme Court was skeptical about such a claim in *Eldred*. As Justice Ginsburg indicated in dicta, in the Court's view, the Framers would have "reckoned by the calendar, not the calculator." 537 U.S. at 209 n.16, 123 S. Ct. at 783 n.16.

But it is for precisely this reason that the better judicial practice is not to opine about issues that have not been briefed. For in fact, as plaintiffs would prove at trial, the Framers' view about income received over time would have accorded much more closely to the views expressed in Justice Breyer's dissent[8] than the Court's intuition suggested. For the same reasons that guided Justice Breyer, in other words, they would not have viewed a term reaching over a century as "limited."[9]

In any case, it is elementary that the Court's commentary on an issue not raised is dicta, and that dicta does not resolve a legal claim. *Humphreys Ex'r v. U.S.*, 295 U.S. 602, 627, 55 S. Ct. 869, 873 (1935). Plaintiffs should be permitted to adduce the evidence necessary to establish a claim that the government has already conceded is potentially valid.

V. PLAINTIFFS' PROGRESS CLAUSE ARGUMENTS MUST SURVIVE THE GOVERNMENT'S MOTION TO DISMISS

The Constitution's Progress Clause limits Congress' copyright enactments to those that "promote the progress of science and the useful arts." U.S. Const. art. I, § 8, cl. 8. *See also Graham v. John Deere Co.*, 383 U.S. 1, 5, 86 S. Ct. 684, 687-688 (1966) (holding that this language acts as "both a grant of power and a limitation"). In its opinion in *Eldred*, the Supreme Court announced that the "promote . . . progress" phrase functions as a limitation on Congress's power to enact copyright laws: "The constitutional command," the *Eldred* Court stated, "is that Congress, to the extent it enacts copyright laws at all, create a 'system' that 'promotes the progress of science.'" 537 U.S. at 212, 123 S. Ct. at 785 (internal quotations and citations omitted).[10]

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[8] In his dissent, Justice Breyer argued that copyright terms had become so long as to become effectively perpestual. 537 U.S. at 255, 123 S. Ct. at 808.

[9] At trial, plaintiffs will show that mathematical methods for calculating the present value of leases and annuities based on the length of the term and the prevailing interest rate were in common use in England since the 1600s. One example of a present-value table, printed on a single broadsheet for easy reference by purchasers, sellers, and mortgagers in 1678, shows that the value of a 91-year term is equivalent to the value of a fee simple at the then-prevailing interest rate. *See* William Leybourn, A Prefident for Purchafers, Sellers and Mortgagers: or, ANATOCISME (commonly called Compound Intereft) Made Easie; without Arithmetical Calculation: By a TABLE ready Computed. (London: Printed for William Jacob, 1678) (Wing / L1933 ; Arber's Term cat. / I 304). (Available at http://gateway.proquest.com/openurl?ctx_ver=Z39.88-2003&res_id=xri:eebo&rft_val_fmt=&rft_id=xri:eebo:image:61617:1).

The Framers were men of learning, and there can be little doubt that they would have been familiar with a calculation method that was included in standard American arithmetic textbooks in 1788. NICOLAS PIKE, A NEW AND COMPLETE SYSTEM OF ARITHMETIC COMPOSED FOR THE USE OF THE CITIZENS OF THE UNITED STATES 314-16 (Printed and sold by John Mycall, 1788) (Evans 21394) (Accessible through Early American Imprints, Series I (Evans), at http://infoweb.newsbank.com).

Aside from this general statement, the Supreme Court has not yet established its test for determining when a copyright enactment may fail to "promote . . . progress." Plaintiffs contend, and will seek to demonstrate at trial, that in removing formalities from the copyright system, Congress made a number of substantial changes to the "traditional contours" of the copyright system that together impede, rather than promote, the progress of science. The government seeks dismissal based on its view that this Court has no role in determining whether Congress has discharged its duty to "promote progress" or not. But the Supreme Court's admonition "that it is generally for Congress, not the courts, to decide how best to pursue the [Progress Clause's] objectives," *Eldred*, 537 U.S. at 212, 123 S. Ct. at 785, does not mean that this Court has *no* role at all in ensuring that Congress has discharged its duty to "promote progress". The Supreme Court has held, in *United States v. Lopez*, 514 U.S. 549, 115 S. Ct. 1624 (1995); *City of Boerne v. Flores*, 521 U.S. 507, 117 S. Ct. 2157 (1997); *Kimel v. Florida Board of Regents*, 528 U.S. 62, 120 S. Ct. 631 (2000); and *United States v. Morrison*, 529 U.S. 598, 120 S. Ct. 1740 (2000), that "[t]he powers of the legislature are defined and limited," that these limits are "not solely a matter of legislative grace," *Morrison*, 529 U.S. at 616, 120 S. Ct. at 1753, that enumerated powers are

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[10] The Court's statement in *Eldred* aligns its reading of the clause in the copyright context with its well-established approach in patent cases. In the patent context, the Court has long held that the "promote . . . progress" language imposes a judicially enforceable constraint on Congress's power. See *Great Atlantic & Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 154, 71 S. Ct. 127, 132 (1951) (Douglas and Black, JJ., concurring) ("The Congress acts under the restraint imposed by the statement of purpose in Art. I, § 8."); *Graham*, 383 U.S. at 5-6, 86 S. Ct. at 687 ("Congress in the exercise of the patent power may not overreach the restraints imposed by the stated constitutional purpose.").

"subject to outer limits," *Lopez*, 514 U.S. at 556-57, 115 S. Ct. at 1628, and that those limits must be judicially determined.[11]

At trial, plaintiffs will produce evidence that will allow this Court to examine the impugned statutes to determine whether, in light of the significant harms the removal of formalities has visited on the copyright system's ability to "promote progress," Congress's wholesale removal of formalities can be justified. And when the evidence is in, plaintiffs will ask that this Court subject Congress's removal of formalities to a rule of heightened review, requiring that any extensions be "congruent and proportional" to proper Progress Clause ends. The Supreme Court recognized a similar standard in *City of Boerne* where it wrote that "[t]here must be a congruence and proportionality between the injury to be prevented or remedied and the means adopted to that end" for legislation passed pursuant to § 5 of the 14th Amendment to pass constitutional review. 521 U.S. at 508, 117 S. Ct. at 2159. The same structure can guide the Court in enforcing the limits of the Copyright Clause.[12]

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[11] In *Lopez* and *Morrison*, judicial intervention to defend the principle of enumeration supported values of federalism. But there could be no principled reason why structural interests in federalism should cause limits on enumerated legislative powers to be judicially enforced while the explicit and unique textural limits on Congress's power set out in the Progress Clause are left unenforced. If anything, the reasons favoring judicial enforcement of the principle of enumeration in the Progress Clause context are more compelling than its application in the context of federalism. The textual limits in the Progress Clause are more certain; copyright's restraints on speech intersect with First Amendment liberties; and, because copyright is the domain of the federal government and not the states, the political interests that affect copyright policy are not subject to regulation through competition between sovereigns. And although copyright policy is ordinarily left to Congress, the judiciary has a role. In a number of decisions spanning our history as a Republic, the Supreme Court has defended the federal government's dominion over copyright law, and has enforced specific limitations in the Progress Clause regarding copyrightable subject matter. *See Wheaton v. Peters*, 33 U.S. 591 (1834) (rejecting common law copyright); *Trade-Mark Cases,* 100 U.S. 82 (1879) (holding trademark law unsupported by Copyright Clause power); *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 109 S. Ct. 971 (1989) (rejecting state law adding patent-like protection to unpatentable subject matter); *Feist Publ'ns v. Rural Tel. Ser. Co.*, 499 U.S. 340, 111 S. Ct. 1282 (1991) (facts not copyrightable; "originality" a constitutional requirement).

CONCLUSION

For the reasons stated above, the Court should deny the government's motion to dismiss.

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Respectfully submitted,

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[12] Like the power to enforce the 14th Amendment in § 5, the power to "secure for limited Times to Authors . . . exclusive Right[s]" is a *means* to a constitutionally specified *end*—to "promote the progress of science." Like § 5, the Progress Clause's grant of power contains language in the "affirmative grant of congressional power [that] also serves to limit that power." *Kimel*, 528 U.S. at 81, 120 S. Ct. at 644. Accordingly, as with § 5, this Court should ensure that Congress does not exceed its power to "secure for limited times" by granting "exclusive right[s]" where there is no proportional Progress Clause benefit.